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28 May 1980

MEMORANDUM FOR: Deputy Director for National Foreign Assessment
Deputy Director for Operations
Deputy Director for Science and Technology
Administrative Officer, DCI

FROM: Don I. Wortman
Deputy Director for Administration

SUBJECT: Budget-Constrained Logistical Services

1. Inflation and a constrained budget environment have made 1980 an increasingly difficult year in which to satisfy Agency-wide requirements for administrative support. We have already discussed some of the difficulties that the Office of Communications is experiencing. The Office of Logistics is also experiencing serious operating difficulties in 1980. These difficulties will become even more serious in 1981. They center around the costs of fuel and utilities and both the cost and consumption of printing and photography materials. (U)

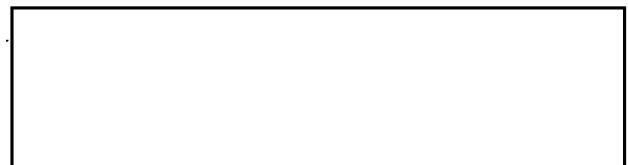
2. While CIA has achieved a 10 percent reduction in fuel consumption, as directed by the President, price increases have nearly tripled since the 1980 budget was approved, and this is causing a problem. A second concern that will soon become a major problem is increased utility costs (heat, light, power) for our Headquarters area buildings. GSA is currently upgrading and tightening the controls over its billing procedures. This will result in the Agency paying a significantly higher utility bill than in years past because GSA was partially, and unknowingly, underwriting certain of our utility costs. (U)

3. The hardest hit of the services Logistics provides is the printing and photography facility. It has experienced the same dramatic price increases for materials as has the Motor Pool. Our dilemma stems from the fact that we have in recent years taken pains to provide at least some capital investment funding for this facility. As a result, productivity has increased significantly. As its capacity has increased, however, so too have your requirements, to the point where Logistics is [redacted] underbudgeted for printing paper and supplies for the balance of 1980. This shortfall is in addition to [redacted] I have already diverted to these needs. Our 1981 shortfall will be much worse. (C)

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4. I am reprogramming Directorate funds to reduce the impact of these shortfalls but will not be able to completely solve them myself. I need your help in assuring, particularly with the printing and photography facility, that requirements levied are in all cases essential and as carefully sized as possible. If you are asking Logistics to provide "nice to have" services that are not in all cases "essential" services, and are able to cut back these requirements where possible, perhaps we can solve our problems without other dislocations. (U)

5. I encourage your suggestions or those of your people. We stand ready to work with you to do everything possible to be responsive to your needs. (U)



Don T. Wortman

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